



Virtual Office

CA Executive Institute
January 22, 2009

Presented by
Jim Wang, AHCCCS CIO
Jim.wang@azahcccs.gov

AHCCCS

- ✦ Arizona Health Care Cost Containment System (AHCCCS)
- ✦ Arizona's Medicaid Program
- ✦ 1.1 million members
- ✦ \$7B total expenditures
- ✦ 1300 employees
- ✦ 160 IT staff

What is Virtual Office (VO)?

VO Definition

- ✦ Flextime and Telecommute
- ✦ Organizational meaning
 - Culture Change (At all levels)
 - Metrics based
 - Employee/employer win-win
 - Paperless

Why did we start VO?

- ✦ Go green
- ✦ Reduce operating costs
- ✦ Reduce employee turnover
- ✦ Expand recruiting opportunities
- ✦ Implementing our Strategic Vision



Moving from Concept to Implementation

- ✦ Planning
- ✦ Policy & Governance
- ✦ Virtual Office Considerations
- ✦ Proposals
- ✦ Pilot
- ✦ Measure, Expand, Measure
- ✦ Technology and Security

Planning

- ✂ Started as a Strategic vision
- ✂ Pushed vision from the top down
- ✂ Pushed proposals from the bottom up
- ✂ Goal of 350 by June 30, 2008
- ✂ Culture change for those engaged in VO & everyone left at the office
- ✂ Business, technical, and policy staff involved
- ✂ Don't remember because it went so fast!!

Policy and Governance

🔦 Policy/Guidelines

- Takes much longer than one would think
- Important to establish firm expectations

🔦 Established a Steering Committee

- Oversight
- Approves proposals and expenditures
- Resolve issues
- Met weekly/pushed issues through fast
- Key staff were engaged from five Divisions

VO Considerations

- ✚ Identify potential VO candidates
- ✚ Consider what tools are needed for the job
- ✚ Business process change opportunities
- ✚ Home office environment
- ✚ High speed internet connectivity
- ✚ Metrics

Proposals

- ✦ VO from the bottom up
- ✦ Contents:
 - Who is going home (to work)
 - How do they do their work (flow-wise) from home
 - Measurement
- ✦ Approved by the VO Steering Committee

Pilot

- ✖ Choose volunteers (proposal)
- ✖ Make expectations known (no surprises)
- ✖ Train staff
- ✖ Use their equipment in the office first
- ✖ Provide tools needed (assessment)
- ✖ Prepare to make improvements and work out the kinks
- ✖ Have a support process in place

Measure, Expand, Measure

- ✦ Measure, Measure Again!
- ✦ External consultant review
- ✦ Cannot emphasize measurement enough
- ✦ After pilot, expand for same type of jobs/business areas
- ✦ Employee Metrics System
- ✦ Be prepared for "VO is not for everyone"

VO Evaluation May 2007

- ✦ 100% of interviewees want VO expanded
- ✦ AHCCCS results are increased productivity, reduced absenteeism and reduced operational costs
- ✦ Employee results are reduced stress, increased job satisfaction, improved quality of life and they feel respected by leaders
- ✦ State of Arizona results are reduced fuel consumption, reduced pollution and reduced traffic

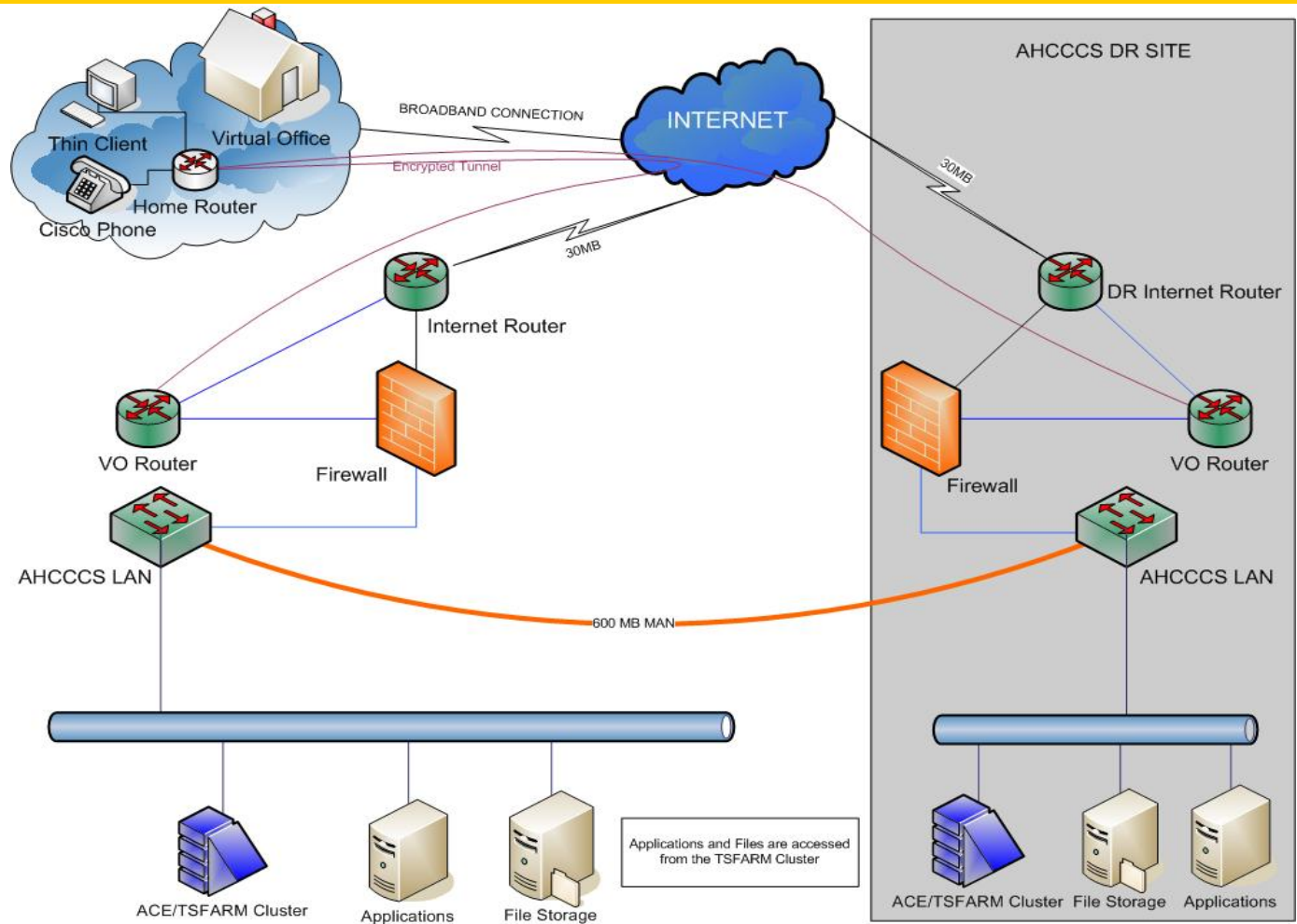
Measure, Expand, Measure

- ✦ Measure, Measure Again!
- ✦ External consultant review
- ✦ Cannot emphasize measurement enough
- ✦ After pilot, expand for same type of jobs/business areas
- ✦ Employee Metrics System
- ✦ Be prepared for "VO is not for everyone"

Technology

- ✦ Leverage existing infrastructure
- ✦ Connectivity
 - High speed internet
 - Virtual Private Network
- ✦ Equipment provided
- ✦ Tools
 - Office productivity
 - Imaging
- ✦ Redundant, Geographically Dispersed Infrastructure
- ✦ Business Continuity

Existing IT Infrastructure



Technology

- ✦ Leverage existing infrastructure
- ✦ Connectivity
 - High speed internet
 - Virtual Private Network
- ✦ Equipment provided
- ✦ Tools
 - Office productivity
 - Imaging
- ✦ Redundant, Geographically Dispersed Infrastructure
- ✦ Business Continuity

Security

- ✖ VPN
- ✖ No Printing
- ✖ Training (HIPAA P & S)
- ✖ No Local Storage
- ✖ Signed Agreement

Outcomes

- ✦ Culture Change
- ✦ Operational Savings/Costs
- ✦ Expanded our recruitment pool
- ✦ Hoteling space
- ✦ Increased employee retention
- ✦ Employee benefits
- ✦ Environmental benefits

Projected Annual Savings & Cost Avoidance

✂ Closed 3 large facilities:	\$ 780,000
✂ Downsize 4 facilities:	\$ 300,000
✂ Reduce copiers:	\$ 500,000
✂ Eliminate supplies & cars:	\$ 100,000
✂ Reduce FTEs:	\$1,200,000
✂ Total annual savings & cost avoidance:	\$2,880,000

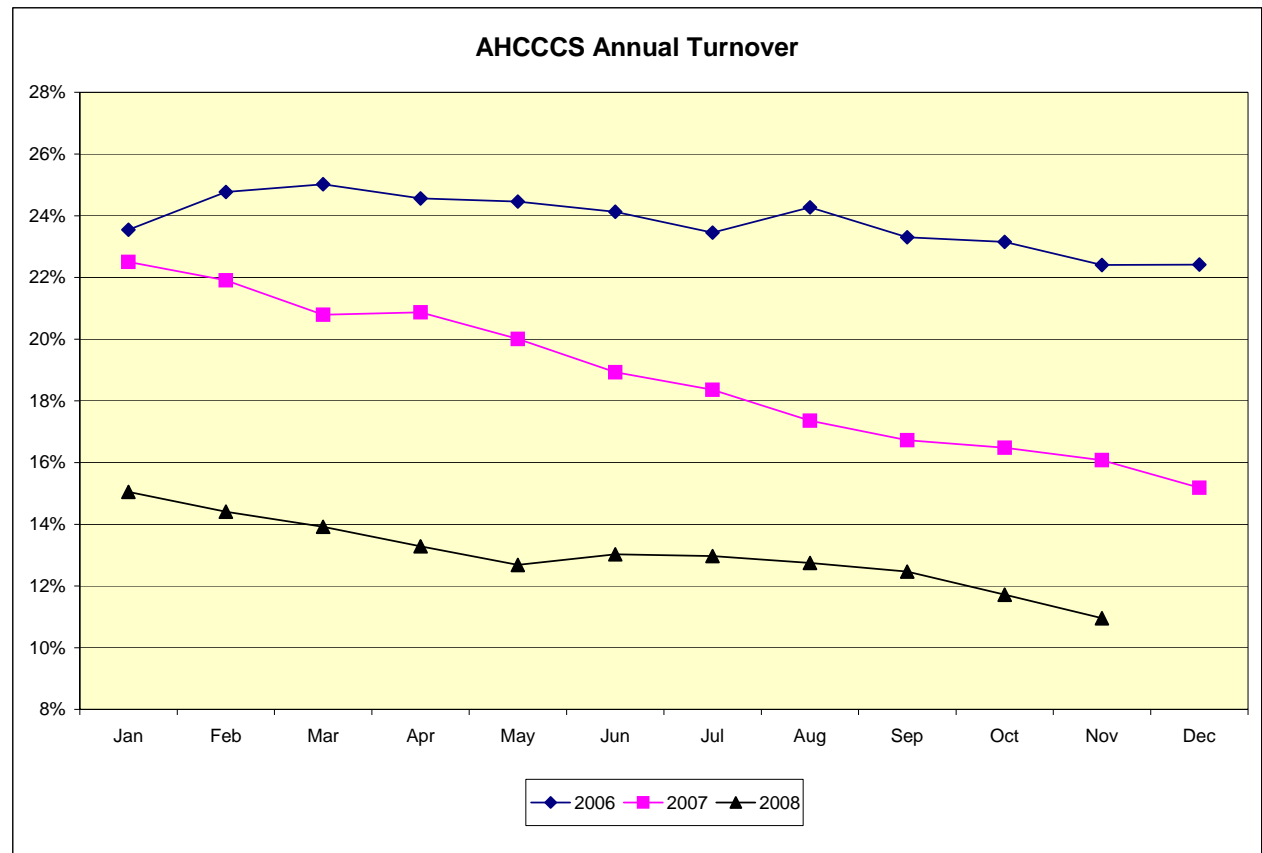
Operational Cost Chart

- ✦ Conservative costs are \$2,000/VO workers = \$700K for 350 staff
- ✦ Home equipment: Router, Phone, Thin-client
- ✦ Additional terminal servers
- ✦ Monthly stipend

Outcomes

- ✦ Culture Change
- ✦ Operational Savings/Costs
- ✦ Expanded our recruitment pool
- ✦ Hotel space
- ✦ Increased employee retention
- ✦ Employee benefits
- ✦ Environmental benefits

AHCCCS Turnover



Outcomes

- ✂ Culture Change
- ✂ Operational Savings/Costs
- ✂ Expanded our recruitment pool
- ✂ Increased employee retention
- ✂ Hotel space
- ✂ Employee benefits
- ✂ Environmental benefits

Annual Environmental Benefits

- ✚ Reduced fuel use: >250 gal/employee
- ✚ Reduced pollution: >4500 lb/carbon dioxide
- ✚ Public & environmental savings: >\$5200 per employee
- ✚ Opportunities for people who need to be at home
- ✚ Opportunities for rural areas of the state

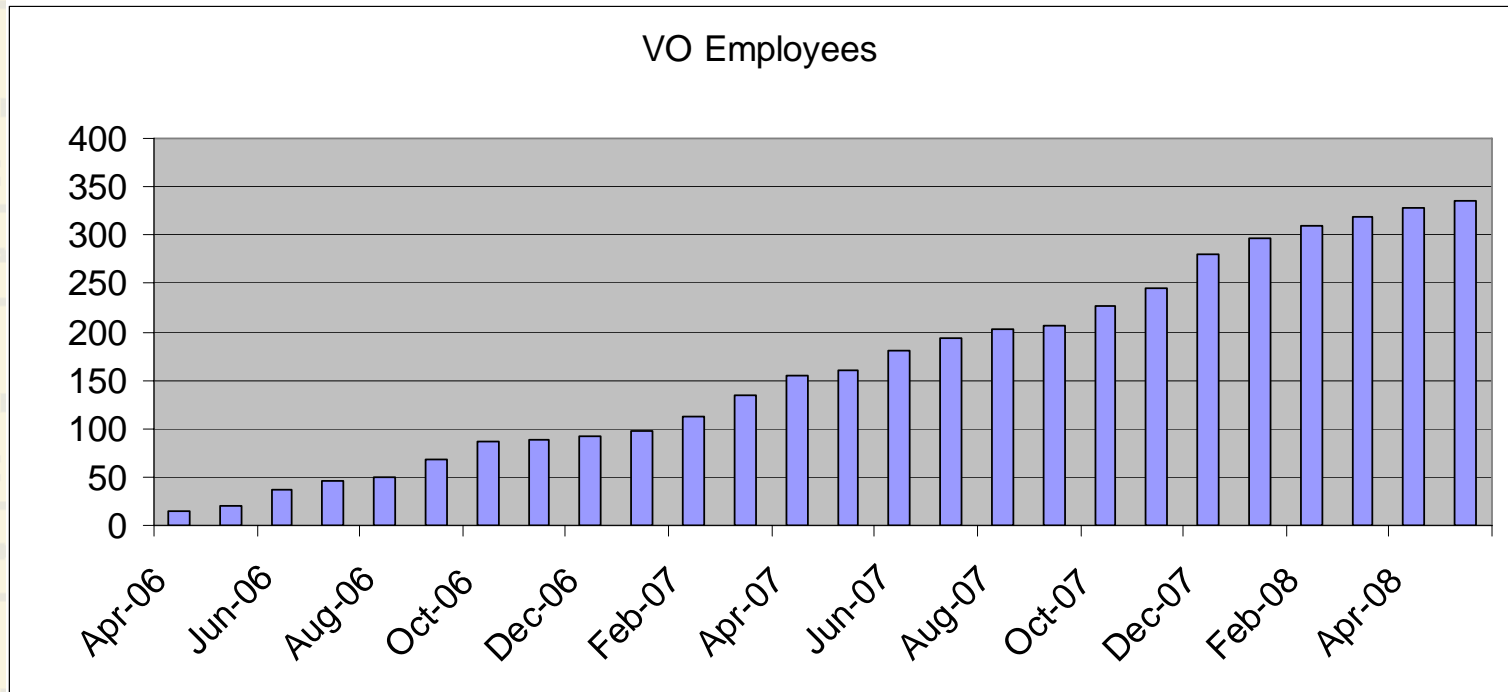
Lessons Learned

- ✖ Communication (supervisor and peer)
- ✖ Policy is important
 - Consider impacts to travel
 - What happens if you can't work (system down, no electricity, ISP down, etc.)
- ✖ Metrics are tricky. Continuous review to make sure goals are really achieved
- ✖ Few VO challenged people
- ✖ We really like VO

Where do we go from here?

- ✦ About 375 VO workers today
- ✦ Expand to 400+ by end of this fiscal year
- ✦ Obtain feedback from staff and continue to improve (continuous improvement)
- ✦ VO for all levels of management
- ✦ Teaching others about VO/expanding acceptance (share best practices)

VO Workers



Where do we go from here?

- ✦ About 375 VO workers today
- ✦ Expand to 400+ by end of this fiscal year
- ✦ Obtain feedback from staff and continue to improve (continuous improvement)
- ✦ VO for all levels of management
- ✦ Teaching others about VO/expanding acceptance (share best practices)

For More Information

✿ My e-mail address: jim.wang@azahcccs.gov

✿ Other references:

✿ <http://www.teleworkarizona.com/vo/overview.htm>

✿ <http://www.teleworkarizona.com/vo/toolkit.htm>

✿ <http://www.teleworkarizona.com/vo/implementation.htm>

✿ <http://www.teleworkarizona.com/vo/benefits.htm>



QUESTIONS

?